



AUSTRALIAN COLLECTORS &
DEBT BUYERS ASSOCIATION

24 March 2017

Results of FY2016 Member Data Survey

Attached is a summary snapshot of industry data gathered from the members of Australian Collectors & Debt Buyers Association for FY2016 and compared to the 2 previous years.

The snapshot reveals:

Values

- The total value of debt under collection stands at \$19.5 billion up 13% on FY2015
- The total number of debts under collection stands at 5.9 million files up 10% on FY2015
- The breakdown of debts by value between contingent collections and debt purchase collections is presently 39% and 61% respectively
- Members report a total of 3,431 full time employees tasked to the collection work – in total members have 61 full time employees engaged in compliance duties
- The value of debt collected in FY2016 at \$2.0 billion for the year is down 16.4% on FY2015

Contact

- The number of contacts made with consumers during FY2016 totalled 63.2 million up 6% on the previous year. Telephone and SMS remain the preferred channels of communication at 71.4% of all contacts
- Despite the high number of contacts with consumers including by telephone and SMS the ratio of total alleged incidents received and compared to total consumer contacts is extremely low, being only 0.0167% of all contacts made

Conduct

- 88% of all incidents raised by consumers in FY2016 were resolved within that period with 47.8% resolved as having no basis or insufficient detail to investigate or alternatively the allegations were completely withdrawn and 25.6% were resolved by agreement to amend credit history listings, being up from 16.9% in FY2015
- 26 of the 27 notifications to the industry by regulators alleging compliance breaches during FY2016 were all dismissed on the basis of no finding of any breach

ANALYSIS OF MEMBER DATA SURVEY RESULTS

3 YEARS TO 30 JUNE 2016



PARTICIPATION	2016	2015	2014*
Member Respondents	17	18	17
Members who failed to respond at all	0	0	0

For each survey question the number of respondents who provided data for the question is listed

Part 1 of the survey records values as at a single day (ie on 30/06/16) whereas Part 2 of the survey seeks out values for the whole year ended (ie y/e 30/06/16).

PART 1	Snapshot at 30/06/2016	Snapshot at 30/06/2015	Snapshot at 30/06/2014
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Total value of debts under collection in terms of						
Number of Respondents	17		18		17	
	\$	No. of files	\$	No. of files	\$	No. of files
Contingent collections	\$7,540,402,254	3,136,776	\$6,059,703,211	2,627,065	\$4,913,859,637	1,746,717
Debt purchase collections	\$11,925,872,154	2,792,748	\$11,242,655,894	2,770,457	\$10,021,249,133	2,371,830
Not specified	\$0	0	\$0	0	\$0	0
Total	\$19,466,274,408	5,929,524	\$17,302,359,105	5,397,522	\$14,935,108,770	4,118,547

On a percentage breakdown the value of debts under collection by type of debt are						
Number of Respondents	17		18		17	
	\$	No. of files	\$	No. of files	\$	No. of files
Contingent collections	38.7%	52.9%	35.0%	48.7%	32.9%	42.4%
Debt purchase collections	61.3%	47.1%	65.0%	51.3%	67.1%	57.6%
Not specified	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Number of accounts under payment arrangements						
Number of Respondents	17		18		17	
	\$	No. of files	\$	No. of files	\$	No. of files
Total	\$2,323,037,124	454,570	\$2,251,776,633	420,715	\$2,073,754,539	375,705

* Minor adjustment made to FY2014 data since originally published following receipt of correction advise from participating member.

PART 1 (cont'd)	Snapshot at 30/06/2016	Snapshot at 30/06/2015	Snapshot at 30/06/2014
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Number of employees in terms of			
Number of Respondents	17	18	17
	Number	Number	Number
Contingent collections	987	894	982
Debt purchase collections	2,415	2,351	1,815
Unspecified	29	0	0
Total	3,431	3,245	2,797

Gender of employees			
Number of Respondents	15	18	17
	Number	Number	Number
Male employees	1,083	894	982
Female employees	1,460	2,351	1,815
Total	2,543	3,245	2,797

Number of compliance officers			
Number of Respondents	16	18	17
	Number	Number	Number
Total	61	60	68

Number of collection offices			
Number of Respondents	17	18	17
	Number	Number	Number
Total	52	57	50

PART 2	12 month period to 30/06/2016	12 month period to 30/06/2015	12 month period to 30/06/2014
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Total value collected from accounts			
Number of Respondents	17	18	17
	\$	\$	\$
Total	\$2,001,344,575	\$2,394,036,993	\$2,192,891,819

Total value of debt written off in response to genuine long term hardship situations			
Number of Respondents		14	10
	\$	\$	\$
Total	\$11,283,201	\$21,749,535	\$13,563,178

PART 2 (cont'd)	12 month period to 30/06/2016	12 month period to 30/06/2015	12 month period to 30/06/2014
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Total number of contacts made with consumers and/or their representatives			
Number of Respondents	17	18	17
	Number	Number	Number
Telephone calls	31,632,937	32,996,593	33,281,564
SMS/text messages	13,522,261	9,758,390	8,522,086
Letters	12,574,831	13,678,250	13,371,698
Emails	5,487,693	3,080,797	1,479,616
Total	63,217,722	59,514,030	56,654,964

On a percentage breakdown contacts made with consumers and/or their representatives were			
Number of Respondents	17	18	17
	%	%	%
Telephone calls	53.2%	55.4%	58.7%
SMS/text messages	22.7%	16.4%	15.0%
Letters	21.1%	23.0%	23.6%
Emails	9.2%	5.2%	2.6%
Total	106.2%	100.0%	100.0%

Incidents recorded as part of each members IDR process are considered to be any matter relating to alleged unsatisfactory professional conduct lodged as requiring investigation and exclude genuine requests made by consumers for additional information to understand the terms of an account, the balance outstanding or the history of payments made.

Number of incidents received from consumers and logged via:

Number of Respondents	16	18	17
	Number	Number	Number
Via IDR	10,557	10,171	6,925
IDR Complaints escalated to EDR	1,810	1,864	1,811
Via regulators	26	20	14

Incidents received from consumers as a ratio of consumer contacts:			
Number of Respondents	16	18	17
	%	%	%
Via IDR	0.0167%	0.0171%	0.0122%
IDR Complaints escalated to EDR	0.0029%	0.0031%	0.0032%
Via regulators	0.0000%	0.0000%	0.0000%

PART 2 (cont'd)	12 month period to 30/06/2016	12 month period to 30/06/2015	12 month period to 30/06/2014
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Outcome of incidents received from consumers					
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Number of Respondents	16		18		17	
	Number	%	Number	%	Number	%
Account paid	107	0.9%	388	3.0%	101	1.1%
Apology letter issued	122	1.0%	205	1.6%	106	1.2%
Arrangement made/settlement accepted	918	7.5%	753	5.8%	426	4.8%
Withdrawn by consumer	1,375	11.3%	1,325	10.2%	789	8.9%
Internal processes reviewed/amended	22	0.2%	43	0.3%	39	0.4%
Matter referred back to client for resolution	305	2.5%	875	6.8%	237	2.7%
No basis &/or insufficient detail to investigate	3,428	28.1%	4,265	33.0%	3,519	39.8%
Credit file listing corrected/removed	3,116	25.6%	2,666	20.6%	526	6.0%
Finalised by EDR award in favour of consumer	12	0.1%	6	0.0%	26	0.3%
Other or not dissected	1,322	10.8%	1,331	10.3%	920	10.4%
Unresolved	1,464	12.0%	1,081	8.4%	2,149	24.3%
Outcome not advised	0	0.0%	0	0.0%	0	0.0%
Total	12,191	100.0%	12,938	100.0%	8,838	100.0%

Number of notifications during period by regulators of alleged breaches			
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Number of Respondents	16	18	16
	Number	Number	Number
Total	25	21	4

Notifications from regulators as a ratio of consumer contacts:			
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	%	%	%
	0.000040%	0.000035%	0.000007%

Outcome of notifications during period from regulators			
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Number of Respondents	16	18	16
	Number	Number	Number
No finding of breach/dismissed	26	19	4
Apology offered to consumer	0	0	0
Written warning	0	0	0
Enforceable undertaking	0	0	0
Court decision pending	0	0	0
Other - unspecified	1	0	0
Unresolved	0	2	0
Total	27	21	4

Note: Number of notifications by regulators of alleged breaches will not always reconcile to Outcomes of notifications from regulators due to timing issues. For example in 2012 one respondent reported 1 notification and 8 outcomes and one respondent reported 1 notification but no outcomes, while in 2011 one respondent reported 8 notifications and 4 outcomes.